



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

December 1, 2003

TO: Lowell P. Braxton, Director

THRU: Mary Ann Wright, Associate Director

THRU: Wayne Hedberg, Permit Supervisor

FROM: Paul Baker, Senior Reclamation Biologist

RE: Request for Approval of Form and Amount of Reclamation Surety and Reclamation Contract, SUMMO USA Corporation, Lisbon Valley Mine, M/037/088, San Juan County, Utah

On September 30, 2003, the Division received a proposal from SUMMO USA Corporation to drill 25 exploration holes within its existing permit area for the Lisbon Valley Mine. The Division reviewed this proposal and approved it on November 17, 2003, contingent on receiving an updated reclamation contract, additional bond, and approval from the Bureau of Land Management. The Division has received a cashier's check for \$12,100 for the bond, and a revised reclamation contract was received November 25, 2003.

The site is on private land and on land managed by the BLM. The BLM has also approved the proposal, and they stated in a November 12, 2003, letter that the reclamation cost estimate of \$12,100 had been determined adequate.

If you are in agreement with the acceptance of the reclamation surety and the reclamation contract, please sign and date the contract. We will then issue final Division approval for the exploration proposal. Thank you for your consideration of this request.

PBB:jb

Enclosure: Reclamation Contract and Copy of Check

O:\M037-SanJuan\M0370088-LisbonValley-Summo\Final\memo-12012003.doc

Approved
LOB 12-2-03



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December 2, 2003

Mr. Gregory Hahn
SUMMO USA Corporation
1776 Lincoln Street
Suite 900
Denver, Colorado 80203

Re: Formal Approval of Revised Notice of Intention to Commence Large Mining Operations and Form and Amount of Reclamation Surety, SUMMO USA Corporation, Lisbon Valley Mine, San Juan County, Utah

Dear Mr. Hahn:

On December 2, 2003, the Director of the Division of Oil, Gas and Mining formally approved the form and amount of reclamation surety for your exploration proposal at the Lisbon Valley Mine and signed the reclamation contract. The reclamation surety was submitted in the form of a cashier's check in the amount of \$12,100. Part of the area to be disturbed is on land managed by the Bureau of Land Management, and in a letter dated November 12, 2003, the BLM approved the proposal and the bond amount. ***The Division hereby grants final approval of this amendment to your large mining notice of intention.*** You may now begin mining operations as outlined in your large mining notice of intention.

Enclosed please find copies of the fully signed and executed Reclamation Contract. Also enclosed is a copy of the "approved" amendment to the Notice of Intention to Commence Large Mining Operations for your files.

Thank you for your help and patience in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,

D. Wayne Hedberg, Permit Supervisor
Minerals Regulatory Program

jb

Enclosure: #1-Reclamation Contract, #2 -Approved Amendment

cc: Denice Swanke, Moab BLM, w/Encl #1

Will Stokes, SITLA, w/Encl #1

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Utah!
Where ideas connect

File Number M/037/088

Effective Date Dec. 2, 2003

Other Agency File Number UTU-72499
ML-17661 & ML 2056

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
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Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	M/037/088
(Mineral Mined)	Copper
"MINE LOCATION":	
(Name of Mine)	Lisbon Valley Copper Project
(Description)	18 miles south of La Sal, San Juan County, Utah
"DISTURBED AREA":	
(Disturbed Acres)	10.025 Acres
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	Lisbon Valley Mining Co. LLC
(Address)	By: Summo USA Corporation, Manager Denver Center Bldg., Suite 900 1776 Lincoln Street Denver, CO 80203
(Phone)	303-861-5400

RECEIVED

NOV 25 2003

DIV. OF OIL, GAS & MINING

"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

CT Corporation

50 West Broadway, 8th Floor

Salt Lake City, Utah 84104

801-531-7090

"OPERATOR'S OFFICER(S)":

Gregory A. Hahn, President

J. Christopher Mitchell, Executive V.P.

Summo USA Corporation

SURETY":

(Form of Surety – Already on Deposit)

(Amended Surety for this Request)

Certificate of Deposit (\$124,200)

Cashiers Check (12,100) - For 9/25/03

Exploration Request

"SURETY COMPANY":

(Name, Policy or Acct. No.)

CD – Zions First National Bank

~~4478282475~~

Cashiers Check – N/A

"SURETY AMOUNT":

(Escalated Dollars)

\$136,300

"ESCALATION YEAR":

2005

"STATE":

"DIVISION":

"BOARD":

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Lisbon Valley Mining Company, LLC the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/037/088 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted

Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intent dated August 1995 and the original Reclamation Plan dated August 1995. The Notice of Intention and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may

request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Lisbon Valley Mining Co. LLC

By: Summo USA Corporation, Manager

By: Gregory A. Hahn - President

Gregory A. Hahn
Officer's Signature

Nov. 24, 2003
Date

STATE OF COLORADO)

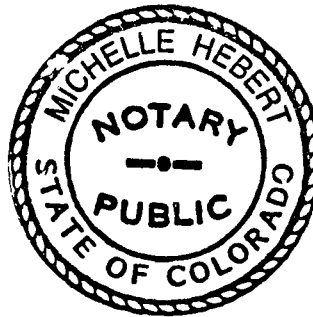
) ss:

COUNTY OF DENVER)

On the 24 day of November, 2003, Gregory A. Hahn personally appeared before me, who being by me duly sworn did say that he/she is the President of Summo USA Corporation, Manager of Lisbon Valley Mining Co. LLC and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Gregory A. Hahn duly acknowledged to me that said company executed the same.

Michelle Hebert
Notary Public
Residing at Lakewood Colorado

3-18-2007
My Commission Expires:



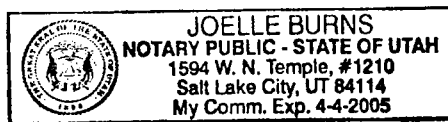
DIVISION OF OIL, GAS AND MINING:

By Lowell P Braxton
Lowell P. Braxton, Director

12/2/03
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 2nd day of December, 2003, Lowell P Braxton
personally appeared before me, who being duly sworn did say that he, the said
Lowell P Braxton is the Director of the Division of Oil, Gas and Mining,
Department of Natural Resources, State of Utah, and he duly acknowledged to me that
he executed the foregoing document by authority of law on behalf of the State of Utah.



Joelle Burns
Notary Public
Residing at: S LC Ut

April 4, 2005
My Commission Expires:

ATTACHMENT "A"

Lisbon Valley Mining Co. LLC
Summo USA Corporation, Manager
(Operator)

Lisbon Valley Copper Project
(Mine Name)

M/037/088
(Permit Number)

San Juan County, Utah

The legal Description of the lands to be disturbed is:

Approximately 2.57 acres from exploration drilling and monitoring wells located within:

Township 30 South, Range 25 East

SE $\frac{1}{4}$ and SW $\frac{1}{4}$, Section 25

NE $\frac{1}{4}$, Section 26

NE $\frac{1}{4}$, Section 35

NW $\frac{1}{4}$, Section 36

Township 31 South, Range 26 East

NE $\frac{1}{4}$, Section 5

Township 31 South, Range 25 East

NE $\frac{1}{4}$, Section 1

As described in the 1/19/99 "Well Locations" Map

As amended to include approximately 1.02 acres from exploration drilling within:

Township 30 South, Range 25 East

NW $\frac{1}{4}$, NW $\frac{1}{4}$, Section 36

NE $\frac{1}{4}$, NE $\frac{1}{4}$, Section 35

As described in the August 12, 1999 "Attachment 1" Map

Attachment "A" - Continued

As amended to include approximately 0.825 acres from exploration drilling within:

Township 30 South, Range 25 East
NW ¼, NE ¼, Section 36

As described in the December 20, 1999 "Attachment 1" Map

As amended to include approximately 2.3 acres from exploration drilling within:

Township 30 South, Range 25 East
NW ½, Section 36 (State Trust Land – Mineral Lease # 20569

As described in the March 14, 2000 "Attachment 1" Map

As amended to include approximately 1.14 acres of additional disturbance for
groundwater exploration drilling within:

Township 30 South, Range 25 East
SE ¼, Section 23
NW ¼, SW ¼, SE ¼, Section 25
NE ¼, Section 26
NE ¼, SW ¼, SE ¼, Section 36

Township 31 South, Range 26 East
NW ¼, Section 6

As described and provided in the July 14, 2000 Request and "Attachment 1" Map

As amended to include approximately 2.17 acres from exploration drilling within:

Township 31 South, Range 25 East
NE ¼, Section 1

Township 31 South, Range 26 East
NW ¼, Section 6

As described in the September 23, 2003 "Attachment 1" Map

ZIONS BANK

TIME DEPOSIT CONFIRMATION

Account Number: _____

Date: 07-11-02Ownership: LISBON VALLEY MINING CO. LLC FOR THE BENEFIT OFSTATE OF UTAH, DIVISION OF OIL, GAS, AND MININGLISBON VALLEY PROJECT 55170377088Purchase Amount: ****124,200.00**Interest Rate: 02.00Annual Percentage Yield: 2.00%Maturity Date: 07-11-03☒ Months ☐ DaysInterest Payment Frequency: ☐ At Maturity ☐ Annually ☒ Quarterly ☐ MonthlyInterest Payment Method: ☒ Add to Deposit ☐ Issue Check ☐ Transfer to Account Number _____☐ Checking/MMDA ☐ SavingsBank Representative Signature: Dale Haycock

This confirmation is not negotiable. This confirmation is not transferable except on the records of the Bank. The Certificate of Deposit is issued in accordance with the Bank's Deposit Agreement.

04906

Office AU #

11-24

1210(8)

CASHIER'S CHECK

0490608297

Operator I.D.: uden1892

uden3709

PAY TO THE ORDER OF *****UTAH DIVISION OF OIL, GAS AND MINING*****

November 17, 2003

*****Twelve thousand one hundred dollars and no cents*********\$12,100.00****

WELLS FARGO BANK, N.A.

PAYABLE IF DESIRED AT WELLS FARGO BANK WEST, N.A.

1740 BROADWAY

DENVER, CO 80274

FOR INQUIRIES CALL (480) 394-3122

VOID IF OVER US \$ 12,100.00

AUTHORIZED SIGNATURE